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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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October 21, 2008

Gloria Lee, Director
Our Lady's Inn
4223 S. Compton
St. Louis, MO 63111

RE: Desk Review of Our Lady's Inn, Federal Emergency Shelter Grant (FESG),
Document #56242, Amount \$4,900; Missouri Emergency Shelter Grant (MESG),
Document #56166, Amount \$15,700; CFDA #14.231(Project #2008-HOM16)

Dear Ms. Lee:

We have conducted a desk review of the Our Lady's Inn (Agency), a not-for-profit organization, FESG and MESG grants, for the periods January 1, 2007 through March 31, 2008. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of the Agency. A desk review does not entail a field visit to the Agency.

Our desk review was completed on March 31, 2008. It included a review of the contract and inquiries made with the Agency. The objectives of the programs are to provide emergency shelter/transitional housing, food and supportive services to individuals/families who are City of St. Louis residents and who are homeless or at risk of becoming homeless and to provide emergency shelter to women who are 18 years of age or older, pregnant, homeless and may have additional children.

This review was made under authorization contained in section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

The Agency did not expend \$500,000 or more for the calendar year 2007; therefore, it was not required to have a single audit in accordance with OMB Circular A-133.

The Agency did not comply with the federal (including OMB circular A-133), state compliance requirements and general provisions of its contracts with the Department of Human Services (DHS). Management's response to the observation noted in the report was received on August 21, 2008 and has been incorporated into the report.

The following is the observation resulting from our review:

Opportunity to Submit Monthly Financial Report in a Timely Manner

DHS policy guidelines for MESH contracts require the Agency to submit their monthly financial reports by the 15th day of the month following the reporting month. The Agency submitted two monthly financial reports late. The monthly financial reports for January and February 2008 were submitted on March 28, 2008. These reports should have been submitted by the 15th of February and March respectively.

Late submission of monthly financial reports may cause a delay or suspension in the processing of reimbursement requests resulting in interruption in the Agency's services to its clients.

Recommendation

We recommend the Agency comply with DHS policy guideline and submit its monthly financial reports by the 15th day of the month following the reporting month.

Management's Response

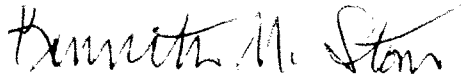
We have received your fiscal monitoring review dated August 6, 2008 and we are in concurrence with the observations that we have been late on submitting our request for reimbursements on the dates noted in the report. We are in the process of interviewing for an assistant office manager who will work with myself and our bookkeeper on the administration and documentation of our grants. Our Lady's Inn has opened a second home in St. Charles County and the increased work load has necessitated additional office staff to try and keep up with the increased work load. Thank you for your patience, as we try to devote as much of our resources to direct client care, but have realized that sometimes you just have to put more money into the administrative side of the organization to be efficient and effective.

As always Our Lady's Inn is very grateful for the support we receive from the City of St. Louis Homeless Services to be able to help homeless pregnant women and their dependent children.

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If you have any questions, please contact the Internal Audit Section at 622-4723.

Respectfully,

A handwritten signature in black ink, appearing to read "Kenneth M. Stone". The signature is fluid and cursive, with the first name "Kenneth" being more prominent than the last name "Stone".

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

cc: Patrick Brennan, Fiscal Manager, DHS
Antoinette Triplett, Program Manager II, DHS-Homeless Division